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OFFICE OF THE SECRETARY OF DEFENSE
WASHINGTON

30 June 1948

MEMORANDUM for Mr. Dulles

Subject: Survey of Office of Intelligence and Research,
Department of State.

During the last ten days, I have been interviewing the senior personnel of the Office of Intelligence and Research, (OIR), with the following objectives:

(a) To ascertain the views held in OIR on the work of the Reports and Estimates Branch (ORE) of CIA, and to evaluate the duplication which exists between the two organizations; and

(b) To secure a general description in OIR of its own activities, its function and status in the State Department, its product, intelligence sources, personnel, and its capacity to produce contributions to national intelligence estimates.

In exploring these subjects, I have had primarily in mind the relationship of OIR to the production of national intelligence and thus to CIA rather than the specific relationship of OIR to the operating branches of the State Department. Since any estimate of OIR's capabilities in the national intelligence field must depend upon its position in the Department, especially with respect to the geographical divisions, I have necessarily had to make certain inquiries with regard to this subject.

This approach has led me to regard the following questions as crucial to OIR's position in the federal intelligence structure:

- (a) Should OIR properly be expected to produce intelligence estimates in the political and perhaps economic fields?
- (b) Can OIR prepare such estimates?
- (c) Can estimates prepared by OIR properly represent the State Department's thinking on subjects which do or may involve policy?

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- (d) Can OIR estimates be cleared effectively by the policy desks?
- (e) If they cannot, what agency in the Department can produce such estimates? If no agency can, shall the present State Department structure be changed, or should such estimates be produced by CIA as is the case at present?

In order to secure OIR thinking on questions of this kind, I have interviewed Mr. Armstrong, the Special Assistant to the Secretary for Intelligence and Research; the heads of OIR itself and the Office of Collection and Dissemination in the Department; their deputies; and the geographical and functional division heads in OIR. Their views have given a fairly composite summary of OIR thought on the subject, and has also given me some basis for evaluating this thinking. Briefly, on the basis of my interviews in OIR, it appears to me that OIR could not now undertake a broad and basic responsibility for political and economic estimates unless (a) its personnel were considerably strengthened and increased; and (b) its relationship to the geographical desks were soundly established in respect to the production of such estimates. In addition to these broad conditions, certain subsidiary ones would also need to be met.

In considering the problem, I have not explored the following internal State Department matters except as they affect the effective operation of OIR in the field of national intelligence: whether research should be done by a centralized staff in the Department, or by research units attached to policy desks; whether the Department needs research facilities in any event; how well OIR serves the Department's internal requirements at the present time.

My next step will be to interview the chiefs of the policy desks and certain other individuals in an attempt to obtain a departmental evaluation of OIR. Although this will probably prove to be a judgment upon OIR's value to the Department, it will also bear on OIR's potentialities for producing political estimates for use outside the Department. The views of the political desks as to whether OIR could produce such estimates for outside synthesis will be particularly important.

The Department of State is also in the process of centralizing certain other intelligence activities under the Assistant to the Secretary for Research and Intelligence. The precise terms of this transfer are expected to be clear within the next week or two, and it will then be necessary to inquire as to the character of these activities, how they affect the national intelligence potentialities of OIR, and how they will be conducted. It will also be necessary to learn what, if any, essential intelligence functions lie outside the Assistant to the Secretary.

Respectfully,

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W.A.S.
W. A. Sprague